



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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PA

DAVID E. JANSSEN  
Chief Administrative Officer

May 24, 2005

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

To: Supervisor Gloria Molina, Chair  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer

**SACRAMENTO UPDATE**

**Budget Subcommittee Actions**

**Property Tax Administration Grant (PTAG) Program.** On Thursday, May 19, 2005, Senate Budget Subcommittee No. 4 acted to reject the May Revision proposal to limit the reduction of this item to \$3.1 million instead of the \$5.7 million reduction proposed in the Governor's January Budget. The action to retain the \$5.7 million statewide program reduction could result in an estimated \$1.4 million loss to the County.

Previously, on Wednesday, May 18, 2005, Assembly Budget Subcommittee No. 4 adopted the May Revision proposal to limit the PTAG reduction to \$3.1 million. Based on the Senate and Assembly Subcommittee actions, this item will be addressed as part of the Budget Conference Committee deliberations.

**Juvenile Justice Funding.** On Wednesday, May 18, 2005, Assembly Budget Subcommittee No. 4 took action on two major juvenile justice issues. The Subcommittee voted to substitute \$201.4 million in General Fund revenues in lieu of TANF funds for support of county probation camps, and rejected the Governor's budget proposal to include only \$25 million in FY 2005-06 for juvenile crime prevention programs, and to de-link the Juvenile Justice Crime Prevention Act (JJCPA) and Citizen's Option for Public Safety (COPS) programs. The Subcommittee instead voted to retain the linkage, and to fully restore the JJCPA program to \$100 million. This is the same action taken by Senate Budget Subcommittee No. 4.

**Public Safety Funding.** On Thursday, May 19, 2005, Senate Budget Subcommittee No. 5 voted to augment the budget for the State Office of Emergency Services by \$5 million to purchase an additional 19 mutual aid fire trucks. The engines will be primarily used for Urban/Wildlife Interface Areas. This action conforms to the action taken by the Assembly Budget Subcommittee.

Senate Budget Subcommittee No. 5 took action that conforms to Senate Budget Subcommittee No. 4 action to eliminate \$25 million for juvenile crime prevention programs from the budget of the Board of Corrections. The Subcommittee also voted to fund probation camps with \$201.4 million in General Fund revenues instead of TANF funds. The same action was taken by Assembly Budget Subcommittee No. 4.

**Social Services.** On Thursday, May 19, 2005, Assembly and Senate Budget Subcommittees adopted the May Revision proposal to reduce by \$3.2 million the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting Project (LEADER) budget allocation for FY 2005-06. This action is attributed to a negotiated vendor rate reduction.

Budget subcommittees in both houses took action to accept the May Revision proposal to use \$30 million in TANF reserve funds as an incentive for counties that meet specific CalWORKs program outcomes. The California Department of Social Services, and the County Welfare Director's Association (CWDA) will work together to develop the desired program outcome measurements for counties.

Budget subcommittees in both houses rejected the May Revision proposal for administrative savings of \$181 million in TANF/General Fund in FY 2005-06, attributed to the implementation of Prospective Budgeting/Quarterly Reporting for CalWORKs, Food Stamps, California Food Assistance Program (CFA), and Refugee Assistance programs. CWDA testified that the administrative savings estimate is overstated, and the Subcommittee adopted placeholder trailer bill language to allocate \$50 million in unspent prior-year TANF Single Allocation funds for CalWORKs Administration, and \$10 million in General Fund revenues to reduce the Prospective Budgeting/Quarterly Reporting savings in the Food Stamp and CFA programs.

Budget subcommittees in both houses also took action to adopt the May Revision proposal to restore an estimated \$12 million in savings to expand work participation reforms in the CalWORKs program. Both subcommittees also voted to reject the Governor's proposals to reduce the CalWORKs grant and the Earned Income Disregard.

#### **Pursuit of County Position on Legislation**

**AB 761 (Jones)**, as amended on April 28, 2005, would require the California Department of Health Services to consider any staffing guidelines developed by relevant professional associations, worker injury rates, and patient injury rates, in determining if staffing is adequate in general acute care hospitals, acute psychiatric hospitals, and special hospitals. These provisions would not apply to the staffing of licensed nurses.

AB 761 is similar to County-opposed AB 1927 (Dymally) of 2004, which would have required hospitals to consult with recognized bargaining agents in an annual review of

professional, technical and support staffing; and AB 2712 (Aroner) of 2002, which would have established staff-to-patient ratios for respiratory therapists. AB 1927 died, failing Assembly concurrence with Senate amendments, and AB 2712 died in the Assembly Health Committee. The Department of Health Services (DHS) estimated that it would have cost the County \$15 million annually to implement the staffing ratio required by AB 2712 for respiratory therapists.

DHS indicates that AB 761 would result in the development of professional staffing regulations similar to the existing AB 394 minimum nurse-to-patient ratios, but would potentially apply to all other position classifications. The Department reports that there are currently staffing shortages for many medical personnel, including primary care physicians, pharmacists, phlebotomists, clinical laboratory scientists, and others. DHS anticipates that AB 761 would cause the same recruitment and budgetary problems for these position classifications that the Department now faces in the recruitment of nursing staff, and would result in tens of millions of dollars of additional costs annually.

DHS recommends that the County oppose AB 761 because it would undermine the Department's efforts to effectively control and manage escalating health care costs while meeting the health care needs of its patients, and we concur. Consistent with County opposition to AB 1927 and AB 2712, **our Sacramento advocates will oppose AB 761.**

AB 761 is sponsored by Service Employees International Union, and supported by the California Society of Radiologic Technologists, and the American Association of Respiratory Care. It is opposed by Adventists Health Care Coalition, Alliance of Catholic Health Care, and the California Hospital Association. AB 761 has been placed on the Assembly Appropriations Committee's Suspense File which will be considered on May 25, 2005.

We will continue to keep you advised.

DEJ:GK  
MAL:JF:MR:ib

c:     Executive Officer, Board of Supervisors  
         County Counsel  
         Local 660  
         All Department Heads  
         Legislative Strategist  
         Coalition of County Unions  
         California Contract Cities Association  
         Independent Cities Association  
         League of California Cities  
         City Managers Associations  
         Buddy Program Participants